

## FORM 7

### **MONTHLY PROGRESS REPORT**

Name of Listed Issuer: California Gold Mining Inc. (the "Issuer" or "Company").

Trading Symbol: CGM

Number of Outstanding Listed Securities: 65,108,269

Date: March 5, 2021

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

#### **Report on Business**

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

*As previously announced, the Board of Directors of the Company (the "Board") created a Special Committee to carry out a review process to explore, review and evaluate a broad range of potential alternatives focused on maximizing shareholder value, including a*

*potential sale or merger of the Company and the sale or joint venture of the Company's Fremont property. The Company has engaged Red Cloud Securities Inc. as exclusive financial advisor with regards to the strategic review process.*

*In addition, the Special Committee of the Company completed a general strategic review of Hemp business and has proceeded to take steps to exit the Hemp business in an orderly fashion. This includes the sale of the Grove Farm for gross proceeds of US\$659,360 on December 10, 2020. The net proceeds from the sale of the land was used to repay a portion of the secured US\$3.0M Loan to Romspen Investment Corporation.*

*As previously announced, the Company does not intend to disclose further developments with respect to this process unless and until the Board has approved a specific course of action or the Company has determined further disclosure is appropriate or necessary.*

2. Provide a general overview and discussion of the activities of management.

*The Company continues its development of a high-quality gold resource on its 100%-owned Fremont Property in Mariposa County, California (the "Property"). The Property consists of an entirely private and patented land package totaling 3,351 acres of historically producing gold mines, with a state highway, PG&E electric substation and abundant water present on the Property itself. The Property lies within California's prolific Mother Lode Gold Belt that has produced over 50 million oz of gold. The Company purchased the Property in March 2013.*

#### **Fremont Property – Current Activities Fiscal 2021**

*The Company did not have any exploration activity on this property in the current month.*

#### **Current Activities - Hemp Business**

##### **Grove Road Farm - Illinois**

*On December 10, 2020, the Company completed the sale of the Grove Farm for gross proceeds of US\$659,360. The net proceeds from the sale of the land was used to repay a portion of the secured loan to Romspen Investment Corporation. Since net gross proceeds from the sale of the land is less than the capitalized cost of the land, the Company reflected a write down of CDN\$250,000 in the value of the land to its net realizable value for the year ended August 31, 2020 based on the proceeds it received on the December 10, 2020 sale.*

### Current Market Value of Hemp Inventory

*The Company's current inventory of bulk hemp-CBD products is located in the Isolera facilities in North Carolina. As mentioned in a press release dated November 6, 2020, the Special Committee of the Company has undertaken a review of the Hemp business as well as an assessment of the proper valuation of the inventory. The view of the Special Committee is that the value of the inventory is, without further processing (which would incur significant additional expense), insufficient to pay for all of the associated costs and expenses and accrued liabilities of the Hemp Business.*

*Since December 2019, the Company's industrial hemp business ("Hemp Business") has been impacted by external factors including lower demand and competition between players in the supply chain, regulatory uncertainties with respect to the characterization of CBD Isolate, and the impact of COVID-19 on general economic conditions, resulting in significant pricing pressures. Since the change in management of the Company on September 30, 2020, the assessment has been made that the value of the current inventory is, without further processing (which would incur significant additional expense), insufficient to pay for all of the associated costs and expenses and accrued liabilities of the Hemp Business.*

*On November 6, 2020, the Company announced that the Hemp Business be wound up in an orderly fashion to preserve overall value for all shareholders.*

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

*Not applicable.*

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

*Based on inquiries made by the Special Committee over the past few months, The Special Committee has proceeded to take steps to exit the Hemp Business in an orderly fashion. Please refer to Section 2 – Current Activities Hemp Business.*

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

*Not applicable.*

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

*Not applicable.*

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.  
*Not applicable.*
8. Describe the acquisition of new customers or loss of customers.  
*Not applicable.*
9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.  
*Not applicable.*
10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.  
*Not applicable.*
11. Report on any labour disputes and resolutions of those disputes if applicable.  
*Not applicable.*
12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.  
*Not applicable.*
13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.  
*Not applicable.*
14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds <sup>(1)</sup>
Nil			

*(1) State aggregate proceeds and intended allocation of proceeds.*

15. Provide details of any loans to or by Related Persons.  
*Not applicable.*
16. Provide details of any changes in directors, officers or committee members.  
*Not applicable.*

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

*The Issuer is subject to various market, political and regulatory trends as a result of the COVID-19 situation and additional business and financial risks that may result therefrom. The duration of the COVID-19 outbreak and the resultant travel restrictions, social distancing, government response actions, business closures and disruptions, can all have an impact on the Issuer's operations and access to capital. There can be no assurance that the Issuer will not be impacted by adverse consequences that may be brought about by the COVID-19 pandemic on global financial markets, share prices and financial liquidity and that may severely limit the financing capital available to the Issuer.*

## Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated March 5, 2021.

Louis R. Nagy  
**Name of Director or Senior Officer**

Signed "Louis R. Nagy"  
**Signature**  
Chief Financial Officer  
**Official Capacity**

<b>Issuer Details</b> Name of Issuer  California Gold Mining Inc.	For Month End  February 2021	Date of Report YY/MM/DD  21/03/05
Issuer Address  C/O Norton Rose Fulbright Canada LLP, 45 O'Connor Street, Suite 1500		
City/Province/Postal Code  Ottawa, Ontario K1P 1A4	Issuer Fax No.  647-977-9268	Issuer Telephone No.  647-977-9267
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